

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**FEBRUARY 8, 1996**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, February 8, 1996. Members present were Messrs. W. Paul Wolf, Vice Chairman; R. Douglas Grant, Tony Zaleski and Norman Lowery. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Institutions; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Bank Analyst; Gina Williams, Bank Analyst; Mark K. Powell, Supervisor, Credit Unions; Charles T. Stumpf, Deputy Director, Administrative Division; Mark Tarpey, Division Supervisor, Consumer Credit Division; Donna Kaye, Assistant to Division Supervisor, Credit Union Division; Rob Henderson, Bank Examiner; Chad Riddle, Bank Examiner; and Ronda Bailey, Administrative Secretary. Board Members Mark Hasten and Mrs. Dee Godme were absent.

**I. PUBLIC SESSION**

- A.) Attendance**
- B.) Date of next meeting: March 14, 1996 at 9:00 a.m., EST.**
- C.) A motion was made for approval of the minutes of the meeting held November 9, 1995, by Mr. Grant and was seconded by Mr. Lowery. The minutes were unanimously approved.**
- D.) Mr. Phillips presented a resolution of appreciation for Daniel Leitch, III to the Members for approval. A motion for approval of the resolution was made by Mr. Grant and seconded by Mr. Lowery. The resolution was unanimously approved.**

**DIVISION OF BANK AND TRUST COMPANIES**

**A) First Financial Bancorp, Hamilton, Butler, Ohio**

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented an application which was filed by First Financial Bancorp ("FFB"), a foreign bank holding company, pursuant to IC 28-2-16 for prior approval to acquire 100% control of F&M Bancorp ("F&M"), Rochester, Fulton County, Indiana, and thereby, its subsidiary bank, Farmers & Merchants Bank of Rochester, Indiana ("Farmers and Merchants"), Rochester, Fulton County, Indiana. Upon consummation, Farmers and Merchants will merge with and into Indiana Lawrence Bank, ("ILB"), North Manchester, Wabash County, Indiana. ILB is a wholly-owned subsidiary of FFB and will survive the merger. The Plan and Agreement of Merger provides that each issued and outstanding share of F&M common stock will be converted into the right to receive such number of shares of FFB's common stock equal to the exchange ratio arrived at by dividing (a) "the Price" fixed at \$12,500.000 by (b) the number of F&M common

shares outstanding of 5,633 by © the Market Value of FFB's common stock. The pro forma combined financial statements as of September 30, 1995, reflect a tier one leverage capital ratio of 11.22% for FFB. Pro forma total assets for the same date would be \$2.03 billion and total equity capital of \$228 million. The Federal Reserve Bank of Cleveland accepted this application for processing January 16, 1996, and should approve the application on or before March 15, 1996.

**In the opinion of the Department staff, statutory requirements of IC 28-2-16-17(e) have all been satisfactorily met. A motion for approval of the application was made by Mr. Grant and seconded by Mr. Lowery. The application was unanimously approved.**

**B) Indiana Lawrence Bank, North Manchester, Wabash County, Indiana**

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the application. Indiana Lawrence Bank ("ILB") applied to the Members of the Department for approval to merge with the Farmers & Merchants Bank of Rochester, Indiana ("Farmers and Merchants") Rochester, Fulton County, Indiana, pursuant to IC 28-1-7. ILB will be the surviving entity of the merger. Both ILB and Farmers and Merchants will be wholly-owned subsidiaries of First Financial Bancorp ("FFB"), Hamilton, Ohio at the time of the transaction. FFB will directly acquire F&M Bancorp, Farmers and Merchants holding company immediately prior to this transaction. Following the merger, the main office of Farmers and Merchants will become a branch of ILB.

The resulting bank will have an adequate Tier 1 capital ratio of 10.87%. With respect to the management of resultant bank, ILB anticipates the following changes: (1) The board of directors of ILB will remain the same until such time as their successors have been elected and been qualified; (2) The board of directors of Farmers and Merchants will cease to exist; (3) Terry R. Carpenter, President and CEO of ILB, will remain as President and CEO of resultant bank; (4) William J. Gordon, President of Farmers and Merchants, will become Senior Vice President of resultant bank; and (5) All other officers and employees of Farmers and Merchants will be offered employment with ILB or another of FFB's affiliates.

**The Department staff recommended approval of this application. A motion for approval was made by Mr. Lowery and seconded by Mr. Grant. The application was unanimously approved.**

**C) Citizens Bank of Orleans, Orleans, Orange County, Indiana**

Ms. Gina R. Williams, Senior Bank Analyst, presented the application. Citizens Bank of Orleans ("CBO") applied to the Members of the Department for approval to merge with the Citizens Bank of Central Indiana ("CBCI") Greenwood, Johnson County, Indiana, pursuant to IC 28-1-7. The name of the resulting institution will be Citizens Bank of Central Indiana

and will operate under the Articles of Incorporation of CBO. The main office of CBO will be relocated to 720 Executive Park Drive, Suite 3000, Greenwood, Johnson County, Indiana. The former main office of CBO will become a branch of the resultant bank. CBO and CBCI are wholly-owned subsidiaries of CNB Bancshares, Inc., Evansville, Indiana.

The resulting bank will have adequate Tier 1 capital ratio of 6.93%. Since both banks are controlled by CNB Bancshares, Inc., the competitive structure of the banking markets will not be altered. With respect to the management of the resultant bank, the following changes will occur: (1) senior management and directors of CBCI will become the management and directors of the resulting bank; (2) William H. Tegarden, Chairman, President, and CEO of CBO, will become President of the Orleans Region of the resulting bank; and (3) Ralph C. Warren, director of CBO, will become a director of the resulting bank.

**The Department staff recommended approval of this application. A motion for approval was made by Mr. Grant and seconded by Mr. Zaleski. The application was unanimously approved.**

#### **DIRECTOR'S COMMENTS AND REQUESTS**

- A) A review of the Non-Depository Division Uniform Consumer Credit Code 1995 Annual Report to the Governor was presented by Donna Kaye. Ms. Kaye provided a brief history of the code and a description of the issues included in the report. Division, gave a brief overview of the contents of the revised policy which is attached and made part of the official record. This item was for informational purposes only.
- B) Chuck Stumpf informed the Members that the Department management and staff members of the Governors office have identified a number of potential reductions and/or eliminations related to the fees assessed by the Department. The Members will consider these fee reductions and will bring to a vote at the May 9, 1996 meeting.
- C) Director Phillips asked Mr. Goddard to update the Members on the contents and disposition of the two House Bills which was legislation proposed by the Department.
- D) **PEOPLES BANK & TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**  
The bank notified the Department that they have closed their branch banking office which was known as "St. Vincent Office" located at **8402 Harcourt Road, Suite 105, Indianapolis, Marion County, Indiana**. The office was closed on **September 1, 1995, at 6:00 P.M.** This item was for informational purposes only.
- E) **FIRST OF AMERICA BANK-INDIANA, INDIANAPOLIS, MARION COUNTY,**

## INDIANA

The bank notified the Department that they have closed their branch banking office which was known as "**Ditch Road Branch**" located at **1456 West 86th Street, Indianapolis, Marion County, Indiana**. The office was closed on **December 29, 1995 at 5:00 P.M.** This item was for informational purposes only.

- F) Mr. Phillips, Director, advised the Members of actions taken pursuant to delegated authority and asked for any questions of clarifications of the actions, which are as follows:

## BANK DIVISION

1.) **LAFAYETTE BANK & TRUST COMPANY, LAFAYETTE, TIPPECANOE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **2513 Maple Point Drive, Lafayette, Tippecanoe County, Indiana**. The application was received on September 25, 1995, and will be known as "**Lafayette Bank & Trust Company**." The proposed branch, which is located in a Pay Less Super Market, is 435 square feet. The proposed branch includes three teller stations and one manager's office. The bank will be leasing the space from Pay Less Super Markets, Inc., Anderson, Indiana with an annual rental of \$18M for the first five years, \$20.4M for the next five years, and \$24M for the eleventh through fifteenth years. It is estimated that there will be \$189M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are estimated at \$58M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of December 31, 1994. The bank's three-year average ROA is 1.06%. As of June 30, 1995, the Tier I leverage capital ratio is 9.02%. The investment in total fixed assets to total capital will increase from 15.59% before the bank's proposed branch to 16.32% following the establishment of the proposed branch. This will be the institution's eleventh branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

2.) **THE NORTH SALEM STATE BANK, NORTH SALEM, HENDRICKS COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located **inside the Kroger Supermarket at 825 Indianapolis Road, Greencastle, Putnam County, Indiana**. The application was received on October 5, 1995, and will be known as "**The North Salem State Bank - Greencastle Kroger**." The proposed branch includes four teller stations, one office and an ATM. The bank will be leasing the space from The Kroger Company, an Ohio corporation, for an annual lease expense of \$21.6M. The lease runs from March 1, 1996 to February 28, 2001. The estimated cost for leasehold improvements is \$24M. Furniture, fixtures, and equipment costs are estimated at \$122M. No insider

relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an FDIC examination as of March 31, 1994. The bank's three-year average ROA is 1.08%. As of June 30, 1995, the Tier 1 leverage capital ratio is 8.42%. The investment in total fixed assets to total capital will increase from 30.11% to 33.79% following the establishment of the proposed branch. This will be the institution's third branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

3.) **1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **1209 Calumet Avenue, Valparaiso, Porter County, Indiana**. The application was received on October 13, 1995, and will be known as "**1st Source Bank**." The proposed branch is a 2,128 square foot, one story, wood frame building. The bank will be leasing the office from the Read Family Limited Partnership, Chesterton, IN for \$23M annually. The lease runs for eight years with an option to renew for an additional five years. It is estimated that there will be \$42M worth of leasehold improvements. Furniture, fixtures, and equipment costs are estimated at \$116M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a joint examination conducted by the department and FRB as of March 30, 1995. The bank's three-year average ROA is 1.13%. As of June 30, 1995, the Tier I leverage capital ratio is 7.75%. The investment in total fixed assets to total capital will increase from 12.35% before the establishment of the proposed branch to 12.46% following the establishment of the proposed branch. This will be the institution's thirty-second branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

4.) **ANDERSON COMMUNITY BANK, ANDERSON, MADISON COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **2825 Nichol Avenue, Anderson, Madison County, Indiana**. The application was received on October 30, 1995, and will be known as "**Nichol Avenue Office**." The proposed branch is a 1,410 square foot, one story, concrete block with brick veneer building. The bank will purchase the property from Robert J. Pensec who is a director and 11% shareholder of the bank. Mr. Pensec will purchase the property from Society National Bank for \$90M and then immediately sell the property to the bank for \$90M. Since the bank is purchasing the property at the same price Mr. Pensec is purchasing the property, the transaction is considered to have been negotiated at arms-length. It is estimated that there will be \$70M worth of repairs and alterations of the building. Furniture, fixtures, and equipment costs are estimated at \$95.5M. The bank received a satisfactory CAMEL rating as a result of a FDIC visitation as of August 31, 1995. As of September 30, 1995, the Tier I leverage capital ratio is 22.17%. The investment in total fixed assets to total capital will increase from 5.51% before the establishment of the proposed branch to 10.35% following the branch establishment. This will be the institution's first branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

5.) **GRANT COUNTY STATE BANK, SWAYZEE, GRANT COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 20, 1995, and will be known as "**Marion Office Grant County State Bank.**" The proposed branch will be located at **1717 W. Kem Road, Marion, Grant County, Indiana.** The new branch facility will consist of approximately 4,160 square feet and will include five teller stations. The bank purchase the property from M.D.M. Associates, Marion, Indiana for \$229M. The estimated cost for constructing the branch is \$680M. In addition, furniture, fixtures, and equipment costs are estimated at \$205M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a examination conducted by the FDIC as of June 30, 1994. The bank's three-year average ROA is 1.06%. As of June 30, 1995, the Tier I leverage capital ratio is 14.21%. The investment in total fixed assets to total capital will increase from 3.72% before the addition of the proposed branch to 29.11% following the addition of the proposed branch. This will be the institution's first branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

6.) **LAKE CITY BANK, WARSAW, KOSCIUSKO COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a full service branch banking office. The application was received on September 25, 1995, and will be known as "**Kendallville Office of Lake City Bank.**" The proposed branch will be located at **632 Professional Way, Kendallville, Noble County, Indiana.** The new branch facility will consist of approximately 1,765 square feet and will include five teller stations. The bank purchased the property from Edward A. McClure, Kendallville, Indiana for \$400M. The estimated cost for constructing the branch is \$200M. In addition, furniture, fixtures, and equipment costs are estimated at \$133M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a examination conducted by the DFI as of March 31, 1995. The bank's three-year average ROA is 1.05%. As of June 30, 1995, the Tier I leverage capital ratio is 6.49%. The investment in total fixed assets to total capital will increase from 31.41% before the addition of the proposed branch to 33.34% following the addition of the proposed branch. This will be the institution's twenty-ninth branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

7.) **JACKSON COUNTY BANK, SEYMOUR, JACKSON COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located in the Foods Plus Grocery Store located at **1343 National Road, Columbus, Bartholomew County, Indiana.** The application was received on October 27, 1995, and will be known as "**Jackson County Bank.**" The proposed branch is a 540 square foot area containing three teller stations. The bank will lease the property from The John C. Groub Company, Inc. The president of the company is James T. McCoy who is a director at Jackson County Bank. The lease calls for an annual rental fee of \$10.8M for the first seven years, \$12M for the next five years, and \$13M for the second five year term. All payments are payable in monthly equal installments. After a review of the lease agreement and various comparable transactions, the transaction is considered to have been negotiated at arms-length. Leasehold improvements are estimated at \$44M. Furniture, fixtures, and equipment costs are estimated at \$108M. The bank received a satisfactory CAMEL rating as a result of an

examination conducted by the FDIC as of December 31, 1994. The bank's three-year ROA is 0.84%. As of June 30, 1995, the Tier I leverage capital ratio is 7.82%. The investment in total fixed assets to total capital will increase from 20.48% before the establishment of the proposed branch to 21.44% following the establishment of the proposed branch. This will be the institution's tenth branch. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

8.) **MIDWEST SAVINGS BANK, DEGRAFF, LOGAN COUNTY, OHIO**

An application from Midwest Savings Bank ("Midwest") was received by the Department on July 3, 1995, for admission as a Foreign Corporation to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. Midwest was incorporated as a Ohio state chartered savings and loan association on December 16, 1985. Midwest is an independent savings and loan association with no holding company relationship. Midwest intends to expand its loan production office into Indiana and only originate residential and consumer lending. Midwest's proposed place of business will be Vista Place, 432 S. Emerson Avenue, Greenwood, Indiana. The total amount of tangible property to be employed by Midwest is estimated at \$25M. Midwest has appointed Timothy Portor, 432 S. Emerson Avenue, Greenwood as a resident agent in Indiana for service of legal process. This approval should be conditioned upon Midwest meeting the requirements of IC 28-1-22-1(b), which states, every foreign building and loan association admitted to transact business in Indiana shall, before a certificate of admission is granted, deposit with the Department \$100M, either in money or in bonds. **The request was approved by the Director under Delegated Authority on November 8, 1995.**

8.) **PEOPLES LOAN & TRUST BANK, WINCHESTER, RANDOLPH COUNTY, INDIANA**

The bank has submitted an amendment to its Articles of Incorporation to amend Article II. states that "the business of this corporation shall be managed by a Board of Directors composed of not less than five (5) nor more than twenty-six (26). The exact number to be determined from time to time in such manner as the By-Laws may prescribe. In the absence of any provision in the By-Laws the number shall be five (5). **The request was approved by action taken by the Director on November 8, 1995.**

9.) **CITIZENS BANK OF CENTRAL INDIANA, GREENWOOD, JOHNSON COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **202 W. Main Street, Fairland, Shelby County, Indiana.** The application was received on November 9, 1995, and will be known as "**Fairland Office.**" The proposed branch is 696 square feet and will include two teller stations, and area to open small accounts, and a small waiting area. The bank will be leasing the space from Donald Kinnett for an annual rental of \$6M. It is estimated that there will be \$10M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are estimated at \$50M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of March 31, 1995. The bank's three-year average ROA is 1.41%. As of June 30, 1995, the Tier I leverage capital ratio is 6.87%. The investment in total fixed

assets to total capital will increase from 19.18% before the bank's proposed branch to only 19.22% following the establishment of the proposed branch. This will be the institution's seventeenth branch. **The request was approved by the Director under Delegated Authority on November 21, 1995.**

10.) **CLINTON STATE BANK, CLINTON, VERMILLION COUNTY, INDIANA**

The bank has applied for approval pursuant to I.C. 28-13-4-3(b) for payment of a dividend which exceeds that allowed in the statute. The bank's holding company, Old National Bancorp, Evansville, IN, is requesting the bank pay the dividend in order to level capital to approximately 9.5%. As of June 30, 1995, the bank's tier one leverage capital ratio is 10.99%. Upon payment of the \$1,100,000, the bank's tier one capital to total assets will be approximately 9.51% according to a pro-forma balance sheet. The bank received a satisfactory CAMEL rating as a result of an FDIC examination as of March 31, 1994. ROA for the six months ending June 30, 1995, is 1.01%. The bank's three-year average ROA is 1.32%. **The request was approved by the Director under Delegated Authority on November 21, 1995.**

13.) **PEOPLES BANK, SB, MUNSTER, LAKE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at the **Southwest corner of Broadway & 86th Street, Merrillville, Lake County, Indiana**. The application was received on October 26, 1995, and will be known as "**Peoples Bank Lot 1 Williamsburg Subdivision**." The proposed branch is a 3,696 square foot, masonry building. It will include six teller stations, two drive-thru teller stations, four offices and a 1,020 square foot lobby. The bank purchased the property in 1991 for \$348M. The estimated cost for constructing the branch is \$830M. Furniture, fixtures, and equipment costs are estimated at \$413M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a joint examination between the FDIC and DFI as of September 30, 1994. This institution converted from a federal savings bank to a state chartered savings bank in July 1994. The bank reported Return on assets of 1.23% and 1.20% as of December 31, 1994, and June 30, 1995, respectively. As of June 30, 1995, the Tier 1 leverage capital ratio is 9.73%. The investment in total fixed assets to total capital will increase from 15.55% before the proposed branch to 21.13% following the establishment of the proposed branch. This will be the institution's sixth branch. **The request was approved by the Director under Delegated Authority on December 1, 1995.**

14.) **STAR FINANCIAL BANK, INDIANAPOLIS, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has entered into a Purchase and Assumption Agreement with First Federal Bank, a Federal Savings Bank, Vincennes, Indiana, dated August 11, 1995, whereby the bank will purchase approximately \$42,294M in loans and assume approximately \$49,017M in deposits through its acquisition of First Federal Bank's branch in Tipton.

Application has been made to the Department for approval to establish a full service branch

banking office. This proposed branch will be located at **874 East Jefferson Street, Tipton, Tipton County, Indiana**, and will be known as "**Star Financial Bank, Tipton.**" The branch is a 4,000 square foot, one story building. It includes a total of eight teller stations, seven interior and one drive-thru. The purchase price for the proposed branch is \$570M. This amount includes \$513M in land and building and \$57M in furniture, fixtures, and equipment. Additional furniture, fixtures, and equipment costs are estimated at \$63M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of September 30, 1994. The bank's three-year average ROA is 1.10%. As of June 30, 1995, the Tier I leverage capital ratio is 8.07%. As a result of the purchase and assumption, the bank's Tier I leverage capital ratio will decline to approximately 6.36%. The banks holding company, Star Financial Group, Inc., has committed in writing to maintain capital levels at or above the well capitalized level. The investment in total fixed assets to total capital will increase from 21.27% before the addition of the proposed branch to 24.19% following the proposed addition. As a result of the transaction, the bank's total number of branches will be ten. **The request was approved by the Director under Delegated Authority on December 11, 1995.**

**15.) STAR FINANCIAL BANK, MARION, MARION, GRANT COUNTY, INDIANA**

The bank has entered into a Purchase and Assumption Agreement with First Federal Bank, a Federal Savings Bank, Vincennes, Indiana, dated August 11, 1995, whereby the bank will purchase approximately \$28,694M in loans and assume approximately \$39,726M in deposits through its acquisition of First Federal Bank's branch in Kokomo.

Application has been made to the Department for approval to establish a full service branch banking office. This proposed branch will be located at **1708 East Markland Avenue, Kokomo, Howard County, Indiana**, and will be known as "**Star Financial Bank, East Markland Avenue.**" The branch is a 6,450 square foot, two story brick building. It includes a total of six teller stations, five interior and one drive-thru. The purchase price for the proposed branch is \$620M. This amount includes \$540M in land and building and \$80M in furniture, fixtures, and equipment. Additional furniture, fixtures, and equipment costs are estimated at \$53M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of September 30, 1994. The bank's three-year average ROA is 0.88%. As of June 30, 1995, the Tier I leverage capital ratio is 8.07%. As a result of the purchase and assumption, the bank's Tier I leverage capital ratio will decline to approximately 6.05%. The banks holding company, Star Financial Group, Inc., has committed in writing to maintain capital levels at or above the well capitalized level. The investment in total fixed assets to total capital will increase from 20.69% before the addition of the proposed branch to 25.57% following the proposed addition. As a result of the transaction, the bank's total number of branches will be seven. **The request was approved by the Director under Delegated Authority on December 11, 1995.**

**16.) FIRST OF AMERICA BANK-INDIANA, SPEEDWAY, MARION COUNTY, INDIANA**

The bank has applied for approval to relocate it's main office from **5300 Crawfordsville**

**Road, Speedway, Marion County, Indiana to 101 West Ohio Street, Indianapolis, Marion County, Indiana.** The application was received on October 25, 1995. The proposed main office will be located on several floors of a 22 story building and consist of 32,399 square feet. The bank will be leasing the space from Lincoln National Life Insurance Company. Terms of the lease call for \$0.00 for the first four months, \$18.00/SF for two years, \$19.00/SF for the next three years, and \$20.00/SF for the final two years of the lease. Leasehold improvements are included in the rent for up to \$25.00/SF. Excess leasehold improvement costs paid by the bank above the 425.00 allowance are estimated to be \$125M. Part of the furniture, fixtures, and equipment will be supplied from a branch located at 139 East Ohio Street, Indianapolis, IN which the applicant intends to close. Additional furniture and fixture costs are estimated at 497M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of March 30, 1995. The bank's three-year average ROA is 0.81%. As of June 30, 1995, the Tier I leverage capital ratio is 6.76%. The investment in total fixed assets to total capital will increase from 17.84% before the proposed relocation of the main office to 18.39% following the relocation of the main office. The current main office will be used as a branch known as the "**Speedway Office**". **The request was approved by the Director under Delegated Authority on December 11, 1995.**

#### **DIVISION OF CONSUMER CREDIT**

- 1.) T & T Investments d/b/a Payroll Check Cashing is requesting a consumer loan license. They are currently licensed as a check casher. They are applying for the loan license to make small, short-term, pay-day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. They will have three branch locations. All locations are in Indianapolis. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 2.) Ameripawn, Inc. has applied for a consumer loan license. They are currently licensed as a pawnbroker in Valparaiso. They are applying for the loan license to make small, short-term, pay-day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. They will have three (3) branch locations. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 3.) Argent Bank of Thibodaux, Louisiana is requesting a consumer loan license. They are a State chartered Commercial Bank. They are requesting the loan license in regards to possible future use in Indiana involving open-end lines of credit. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 4.) Greenwich Capital Financial Products, Inc. of Greenwich, Connecticut is requesting a consumer loan license. They will be taking assignment of loans made by Argent Bank who

is requesting a separate loan approval. As an out-of-state assignee, a loan license is not required. Greenwich Capital understands this. They want the license for possible future use. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 15, 1995.**

- 5.) Capstead, Inc. is requesting a consumer loan license. They are based in Dallas, Texas. They will be making second mortgage loans in Indiana using local attorneys and title companies for closing. They currently operate in 25 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 6.) Summit Financial Services, Inc of Warwick, Rhode Island is requesting a consumer loan license. They will be making second mortgage loans in Indiana using local title companies for closing. They currently operate in two states. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 7.) Midwest Mortgage Finance, LLC is requesting a consumer loan license. They are based in Glendale, Wisconsin and also make loans in Illinois. They will be making second mortgage loans in Indiana using local title companies. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 8.) Sormac Corporation is requesting a consumer loan license. They are based in Bloomington. They are currently licensed as a pawnbroker. They are applying for the loan license to make short-term, unsecured, pay-day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 9.) WFS Financial, Inc. is requesting a consumer loan license. They are a subsidiary of Western Financial Savings Bank of Irvine, CA. They currently operate in 16 states. They will have a location in Indianapolis. Direct loans and the purchase of automobile retail installment sales contracts will be made. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 15, 1995.**
- 10.) First Nationwide Mortgage Corporation of Dallas, Texas is requesting a consumer loan license. They currently operate in 10 states. They will be making second mortgage loans using local title companies or attorneys for closing. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 15, 1995.**

- 11.) A request for a consumer loan license is being made by National Lending Center, Inc. of Deerfield Beach, Florida. They will be making second mortgage loans using local title companies for closing agents. They currently operate in four (4) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 12.) Devin Mark Pittman d/b/a Morgan County Pawn is requesting a consumer loan license. He is currently licensed as a pawnbroker. He will be using the consumer loan license to make short-term, pay-day, type loans. He is aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. He will have one (1) branch location in Bloomington. His main office is in Martinsville. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 13.) Bee Home Mortgage & Finance, LLC of Indianapolis is requesting a consumer loan license. They are part of Bee Window. They will be making direct home improvement loans as well as purchasing retail installment sales contracts from other home improvement dealers. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 14.) Quick Cash Pawn & Check Cashing, Inc. of Lawrenceburg is requesting a consumer loan license. They are currently licensed both as a pawnbroker and a check casher. The loan license will be used to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 15.) ContiMortgage of Horsham, PA. is requesting a consumer loan license. They are currently licensed under loan license #1040. There is a new corporation being formed with new officers. This is the reason for the new application. Once this license is issued, the other one will be surrendered. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 16.) Centerbank Mortgage Company is requesting a consumer loan license. They are based in Waterbury, Ct. They are owned by Centerbank. A state chartered, FDIC insured bank. They currently operate in four (4) states. They will be using local attorneys/title companies for closing agents. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 17.) Fleet Home Equity U.S.A., Inc. is requesting a consumer loan license. They are based in Atlanta, Georgia. Fleet Finance is currently licensed with this Department under loan license #1098. This new corporation will begin doing business in 1996. They will be operating in four (4) states. They will use local title companies for closing agents. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**

- 18.) Home Equity U.S.A, Inc. is requesting a consumer loan license. They are based in Atlanta, Georgia. This entity was formerly known as Fleet Finance, Inc. of GA. They will be operating in Georgia and Indiana. They will use local title companies for closing agents. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 19.) Hoosier Check Cashing of Ohio, Ltd. d/b/a Check-X-Change is requesting a consumer loan license to make small, short-term, pay-day type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. They are purchasing an existing business in Mishawaka. They will have two (2) branches in South Bend. They currently operate at five (5) locations in Ohio. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 20.) Hoosier Check Cashing of Ohio, Ltd. d/b/a Check-X-Change is requesting a check cashing license. They are currently operating at five (5) locations in Ohio. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 21.) Mike Gilley and David Gilley d/b/a Low Rate Check Cashing are requesting a check cashing license. They will have one (1) location in Indianapolis. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 22.) Ronsha, Inc. d/b/a Discount Tobacco & Check Cashing Stop is requesting a check cashing license. They will have one (1) location in Indianapolis. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 6, 1995.**
- 23.) A request for a consumer loan license is being made by Republic Savings Bank of Richmond Heights, Ohio. They are a Ohio state chartered savings bank, FDIC insured. They will have a location in Indianapolis where first and second mortgage loans will be made. All references are in order it is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 24.) Quality Foods, Inc. d/b/a Valley Mills Check Express Money Center is requesting a consumer loan license. They are currently licensed as a check casher in Indianapolis. They are obtaining this loan license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 25.) Casey's, Inc. is requesting a consumer loan license. They are based in Henderson, Kentucky. They currently have a pawnbroking license in Evansville. They are obtaining this loan license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the

license be issued. **The request was approved by the Director under Delegated Authority on January 8, 1996.**

- 26.) Ace Cash Express, Inc. of Irving, Texas is requesting a check cashing license. They are a NASDAQ traded company. One of the largest check cashers in the country with 452 stores in 15 states. They have acquired four (4) locations in Indianapolis from a current check casher, Check Express, Inc. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 27.) Ace Cash Express, Inc. of Irving, Texas is requesting a consumer loan license. They are NASDAQ traded company. One of the largest check cashers in the country with 452 stores in 15 states. They have acquired four (4) locations in Indianapolis from a current loan licensee, Check Express, Inc. They are obtaining this loan license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 28.) Homeowner's Mortgage & Equity, Inc. of Dallas, Texas, is requesting a consumer loan license. They will be purchasing retail installment sales contracts from home improvement dealers. They do not need a loan license to do this. However, they may also begin making direct second mortgage loans. They are currently licensed in six (6) states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 29.) Pan American Financial Services, Inc. of Chicago, Illinois, is requesting a consumer loan license. They will be making second mortgage loans in Indiana using local title companies for closing. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 30.) Hoosier Credit Corporation d/b/a Quik Cash is requesting a consumer loan license. They are based in Anderson. They are currently registered as a rent-to-own dealer with the Department. They are requesting the loan license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 31.) Quality Mortgage USA, Inc. of Irvine, California is requesting a consumer loan license. They will have a location in Indianapolis where they will be making second mortgage loans. They are currently licensed in 13 states. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on January 8, 1996.**
- 32.) Cool Cash, Inc. is requesting a consumer loan license. They are based in Madison. They will be making various types of consumer loans including direct auto loans. The owners are currently registered with the Department under a non-lender filing, Cruisin Auto Sales. It is

recommended that the license be approved. **The request was approved by the Director under Delegated Authority on January 8, 1996.**

- 33.) Pacific Thrift & Loan of Walnut Creek, California, is requesting a consumer loan license. They are a California licensed Industrial Loan Company. They are FDIC insured. They operate in five (5) states while taking deposits only in California. They will be making second mortgage loans in Indiana using title companies for closing. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on January 8, 1996.**

#### **DIVISION OF CREDIT UNION**

- 1.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**  
Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union. **The request was approved by the Director under Delegated Authority on December 6, 1995.**

United Way of St. Joseph County - South Bend - 16 members  
Foster Corporation - South Bend - 1 member  
Nabil Gayed, M.D., F.A.C.S. - Huntington - 2 members  
Association for Children for the Enforcement of Support of  
St. Joseph County - Mishawaka - 50 members  
Kelley, Hardesty, Smith & Co., Inc. - Indianapolis - 18 members  
Fitness USA Health Spas - Mishawaka - 50 members  
Pro Irrigation, Inc. - South Bend - 8 members  
Sweat Success, Inc. - Mishawaka - 4 members  
Unicoat, Inc. - Elkhart - 18 members  
Preservation of the Res, Inc. - 16 members

- 2.) **ANDERSON POST OFFICE CREDIT UNION, ANDERSON, MADISON COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union. **The request was approved by the Director under Delegated Authority on December 6, 1995.**

Fortville Post Office - Fortville - 10 members  
Thomas P. Burke, Attorney at Law - Anderson - 3 members

- 3.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**  
Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union: **The request was approved by the Director under Delegated Authority on December 27, 1995.**

The Unity Residents Council, Inc. - Indianapolis - 1 member  
Executive Choices - South Bend - 1 member  
Melody Components, Inc. - Whiteland - 46 members  
Community Fellowship Church - Mishawaka - 25 members  
Charity Church Ministry, Inc. - Indianapolis - 30 members  
Kafantaris, Inc. d/b/a Koontz Lake Supermarket - Walkerton - 8 members  
Boramco, Inc. - Walkerton - 106 members  
Montessori School of Elkhart, Inc. - Elkhart - 17 members

4.) **JET CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union: **The request was approved by the Director under Delegated Authority on December 27, 1995.**

Blossom Chevrolet/Geo - Indianapolis - 167 members  
Beck Toyota - Indianapolis - 64 members  
Fritz Associates - Fishers - 8 members  
Collins Mitsubishi - Indianapolis - 300 members  
J. R. Rohrman Automobiles, Inc. - Indianapolis - 12 members  
Payton Wells Chevrolet - Indianapolis - 39 members

5.) **ELKHART COUNTY FARM BUREAU CREDIT UNION, GOSHEN, ELKHART COUNTY, INDIANA**

Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union: **The request was approved by the Director under Delegated Authority on January 2, 1996.**

Wieland Designs, Inc. - Goshen - 275 members

**There being no further business to come before the Members, the meeting was adjourned.**

**APPROVED:**

**ATTEST:**

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**W. Paul Wolf, Vice Chairman**

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**J. Philip Goddard, Secretary**